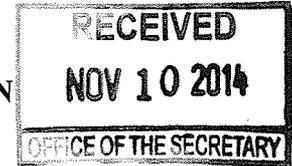


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-15993

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In the Matter of

Accredited Business Consolidators  
Corp., *et al.*,

Respondents.

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**DIVISION OF ENFORCEMENT'S BRIEF  
IN REPLY ON ITS MOTION FOR SUMMARY DISPOSITION**

**Introduction**

The Court should revoke the registration of the securities of respondent Accredited Business Consolidators Corp. ("Accredited Business") because it has failed to raise a genuine issue of any material fact regarding application of the factors laid out by the Commission in *Gateway Int'l Holdings, Inc.*, Securities Exchange Act of 1934 ("Exchange Act") Rel. No. 53907, at 10, 2006 SEC LEXIS 1288, at \*19-20 (May 31, 2006) ("*Gateway*") (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1<sup>st</sup> Cir. 1977)).

**Argument**

1. Accredited Business failed to offer evidence that raises a genuine issue of material fact, so the Division is entitled to summary disposition as a matter of law. Accredited Business does not dispute the Division's motion regarding any of the *Gateway* factors and how those factors establish that revocation of Accredited Business's

securities registration is the appropriate remedy. Instead, Accredited Business mostly complains about the fact that it never received the delinquency letter mailed by the Division of Corporation Finance. While the non-delivery of the delinquency letter to Accredited Business in Nicaragua is unfortunate, it is not jurisdictional to this Exchange Act Section 12(j) action, and Accredited Business is now being afforded the notice and hearing which the statute requires.

2. In its brief, Accredited Business claims that “the SEC previously suggested . . . that its auditor must be from the country of its offices,” so the company is seeking accountants in Nicaragua that would be willing to register with the Public Company Accounting Oversight Board (PCAOB). Opp. at 2-3. In his declaration, Accredited Business Vice President Andy William claims that while the company believes it can retain an auditor from any country lawfully, it is reluctant to do so because the SEC’s alleged comment would make an auditor unlikely to accept an engagement. William Declaration at ¶ 7. Contrary to these claims, the Division of Corporation Finance’s September 24, 2012 comment letter to Accredited Business clearly suggests that the company use an auditor licensed in the United States, and does not require the company to use an auditor located in Nicaragua. (Supplemental Declaration of Neil J. Welch, Jr., Ex. 9.)

3. Accredited Business suggests that a six-month suspension under Exchange Act Section 12(j) is appropriate to give it time to make all of its delinquent reports. Revocation of Accredited Business’s securities registration is the only appropriate remedy. The Division is unaware of a suspension ever being issued under Section 12(j), and this is because it is just not a practical solution in a delinquent filing case. One ALJ

has determined that if he suspended the registration for a period of time, and the delinquent issuer failed to get current before the deadline, the ALJ could not convert the suspension to a revocation. The Commission would have to initiate a new administrative proceeding. *Stansbury Holdings Corp.*, Initial Decision Rel. No. 232, 2003 SEC LEXIS 1639, at \*17-18 (July 14, 2003); and *WSF Corp.*, Initial Decision Rel. No. 204, 2002 SEC LEXIS 1242 at \*18 (May 8, 2002). Moreover, Accredited Business has made no effort to get current in its periodic reports since this proceeding was instituted on July 31, 2014, so there is no reason to believe it will make any such effort if given more time.

Furthermore, “[t]his proceeding is not an extension of time to file delinquent reports or correct filing deficiencies as sometimes occurs during the normal filing process.”

*Citizens Capital Corp.*, Initial Decision Rel. No. 433, at 7, 2011 SEC LEXIS 3307, \*18-19 (Sept. 23, 2011); *Bio-Life Labs, Inc.*, Initial Decision Rel. No. 424, at 5, 2011 SEC LEXIS 2546, \*9-10 (July 25, 2011). Even if Accredited Business should get all of its delinquent filings submitted before this Court rules on summary disposition, the respondent’s securities registration should still be revoked based on its violations of the Exchange Act. In *Absolute Potential, Inc.*, Exchange Act Rel. No. 71866, 2014 SEC LEXIS 1193 (April 4, 2014), the Commission revoked the registration of the delinquent issuer despite the fact that it became current during summary disposition briefing. “[I]t is necessary to deter Absolute and other issuers from disregarding their obligations to present accurate and timely information to the investing public until spurred by the institution of proceedings. Deterrence is meaningful only if a lengthy delinquency, in the absence of strongly compelling circumstances regarding the other *Gateway* factors, results in revocation.” 2014 SEC LEXIS 1193, \*24.

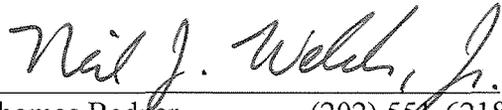
4. Accredited Business's claim that a revocation "would likely only harm the shareholders," Opp. at 2, is not persuasive. What is harming the shareholders is Accredited Business's failure to file periodic reports since 2012. Moreover, the Commission's decision in *Gateway* instructs that "[t]he extent of any harm that may result to existing shareholders cannot be the determining factor." *Gateway*, Securities Exchange Act of 1934 Rel. No. 53907, at 14, 2006 SEC LEXIS 1288, at \*31. "In evaluating what is necessary or appropriate to protect investors, 'regard must be had not only for existing stockholders of the issuer, but also for potential investors.'" *Id.* (citations omitted).

#### **Conclusion**

For the reasons set forth above, and in the initial brief, the Division respectfully requests that the Commission revoke the registration of each class of Accredited Business's securities registered under Exchange Act Section 12.

Dated: November 10, 2014

Respectfully submitted,



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